

ASSEMBLY BILL

No. 1179

Introduced by Assembly Member Jones

February 27, 2009

An act to add Section 758.3 to the Insurance Code, relating to motor vehicle insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1179, as introduced, Jones. Motor vehicle insurance: damage assessments.

Existing law generally regulates the conduct of motor vehicle insurers relative to insureds or claimants. Under existing law, motor vehicle insurers are prohibited from requiring that insureds or claimants use a specific automotive repair shop.

This bill would, in addition, require insurers to disclose in writing to claimants that any damage assessment, as defined, made by the insurer is not a written estimate of repair costs, as defined. This bill would also require insurers to disclose that the actual cost of repair may be higher than the damage assessment, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 758.3 is added to the Insurance Code, to
- 2 read:
- 3 758.3. (a) For purposes of this section only, a “damage
- 4 assessment” is any communication presented to a claimant that is
- 5 intended to convey the cost of vehicle repair and that has been

1 prepared by an insurer or by an individual or entity associated with
2 the insurer and not registered as an automotive repair dealer
3 pursuant to Section 9884.6 of the Business and Professions Code.

4 (b) For purposes of this section only, a “written estimate” is a
5 document prepared by an automotive repair dealer registered in
6 accordance with the requirements of Sections 9884.6 and 9884.9
7 of the Business and Professions Code and Section 3353 of Title
8 16 of the California Code of Regulations.

9 (c) Any insurer who provides a claimant with a damage
10 assessment shall do so in writing, and the assessment shall contain
11 the following disclosure on the first page of the document in a
12 minimum of 16-point type:

13 “THIS DAMAGE ASSESSMENT IS NOT A WRITTEN
14 ESTIMATE OF REPAIR COSTS. A WRITTEN ESTIMATE OF
15 REPAIR COSTS CAN ONLY BE PREPARED BY AN
16 AUTOMOTIVE REPAIR DEALER REGISTERED WITH THE
17 CALIFORNIA BUREAU OF AUTOMOTIVE REPAIR. THE
18 ACTUAL COSTS OF REPAIR MAY BE HIGHER THAN THE
19 COSTS CONTAINED IN THIS DAMAGE ASSESSMENT.”